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Statement of Policy Aims/Principles

This document outlines the policy for the efficient and effective management of the Association's rental income. The Association is a non-profit making organisation and relies on the income generated by rents to fund its activities and provide the range of services to tenants including the management of the Association's housing stock and its surrounding environment and maintenance / improvement of homes to the Scottish Housing Quality Standard. It is therefore extremely important that the Association ensures that it minimises the loss of rental income in order to safeguard the Association's financial position.

Key Policy Aims and Objectives

The overall aims and objectives of the Arrears Management Policy are:

- To comply with legislation, statutory requirements, best practice and related internal policies.
- To minimise the loss of rental income by implementing consistent and equitable procedures focusing on taking appropriate preventative action and taking prompt, effective recovery and control of rent arrears.
- To provide a professional but sensitive service to tenants based on personal contact and the appropriate level of advice and assistance.
- To work in partnership with the Local Authority, Social Work Services, Money Advice Agencies and other support organisations to sustain tenancies and prevent homelessness.

Risk Management

By having a detailed written policy on Arrears Management, the Association is able to ensure that a consistent and professional approach is adopted throughout the organisation and the service delivered is compliant with legislation, performance standards, good practice and internal policy.

Without an Arrears Management Policy, the Association is at risk of increasing rent arrears and therefore reducing the flow of income to the Association. Since the Association's primary source of income is rental income, a high level of rent arrears will reduce the Association's ability to fund its activities and provide management and maintenance services.

The Association acknowledges that rent arrears are a contributory factor in the development of tenancy debt, a tenant's failure to maintain their tenancy and homelessness. This Arrears Management Policy is necessary to prevent these issues.

Legal Requirements and Standards

The Association will ensure that the Arrears Management Policy and Arrears Management procedures conform and comply with the requirements of all legislation, performance standards, guidance and good practice for the management and recovery of rent arrears. The primary legislation is contained within the Housing (Scotland) Act 1987, the Housing (Scotland) Act 2001 and the Housing (Scotland) Act 2010 and the grounds for raising an action for recovery of possession are detailed within the Scottish Secure Tenancy Agreement and Short Scottish Secure Tenancy Agreement. Rights and responsibilities are also contained within other legislation such as:

- Homelessness etc. (Scotland) Act 2003.
- Matrimonial Homes (Family Protection) (Scotland) Act 1981 and Civil Partnership Act 2004.
- Data Protection Act 1998 and Freedom of Information Act (Scotland) 2002.

The Scottish Social Housing Charter sets the standards and outcomes that all social landlords should aim to achieve for their tenants and other customers when performing housing activities. The Association is responsible for meeting these standards and outcomes. The Scottish Housing Regulator is responsible for the monitoring, assessing and reporting on how the Association achieves the Charter's outcomes. The outcomes and standards that cover the remit of this Policy are:

Tenancy Sustainment: Social landlords ensure that:



- Tenants get the information they need on how to obtain support to remain in their home; and ensure suitable support is available, including services provided directly by the landlord and by other organisations.

Value for money: Social landlords manage all aspects of their businesses so that:

- Tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.

Rents and service charges: Social landlords set rents and service charges in consultation with their tenants and other customers so that:

- A balance is struck between the level of services provided, the cost of the services, and how far current and prospective tenants and service users can afford them.
- Tenants get clear information on how rent and other money is spent, including details of any individual items of expenditure above thresholds agreed between landlords and tenants.

Rent Collection

The Association aims to provide an efficient and effective rent collection system that offers a wide range of accessible and convenient options for tenants to pay the rent. These options include: Rent Payment Card, Direct Debit, Bank Payment (including internet banking, BACS transfers and Standing Orders) and Benefits Direct.

Prevention of Rent Arrears

Housing Management will adopt a preventative approach to minimise the development of rent arrears. Tenants will receive a high standard of information to promote the effective management of rent accounts and early intervention will be seen as a priority for arrears recovery. We will aim to make personal contact with tenants in arrears to find out their circumstances, offer advice / assistance and negotiate reasonable and sustainable payment arrangements.

Management of Rent Arrears

Housing Management will be responsible for ensuring that the managing, monitoring and reporting of rent arrears is compliant with legislation, performance standards and good practice. In order to achieve the Association's aims and objectives with respect to rent arrears, Housing Management will have in place comprehensive procedures for the prevention, control and recovery of rent arrears. The rent account system should be used to record detailed administration of the arrears management service. In accordance with pre-action requirements, Housing Management will ensure partnership working between the tenant and Money / Welfare Advice Agencies and Social Work Services in providing free and independent advice and support.

Money and Welfare Advice Support

The arrears management service will include providing tenants with money / welfare advice and information. Tenants experiencing financial difficulties will be encouraged to seek advice and assistance as soon as possible and signposted to appropriate support services.

Welfare Reform and Housing Benefit

The management of Welfare Reform has a significant impact on the prevention and control of rent arrears. The administration of Housing Benefit is complex and subject to legislative changes. Effective communications between Glasgow City Council, the Department of Work and Pensions and other Benefit Agencies will be established to ensure that the tenant is provided with advice and assistance on their eligibility to receive Housing Benefit or other types of financial assistance. Changes in regulations and procedures will be communicated through interviews, arrears procedures or newsletters.



Communication and Information

Housing Management will seek to ensure effective communication with tenants at pre-allocations, at sign-up and throughout their tenancy to encourage tenants to maintain their rent accounts in accordance with the terms of the tenancy agreement. The Association's rent accounts will be subject to continuous assessment to allow early arrears intervention. The method of contact and the approach towards the recovery of the debt will be influenced by the tenant's individual circumstances and the level of co-operation and commitment the tenant displays towards clearing the arrear. Initial contact will normally be done by telephone or letter. However, other forms of communication including home visits will be used to allow flexibility, reflect circumstances and the seriousness of the situation. Arrears letters will be worded to ensure tenants are given clear information about their balances and the course of action to be adopted if the outstanding rent is unpaid.

When an interview takes place, Housing Management should adopt a firm but sympathetic and non-judgemental approach to the tenant's circumstances. Where support needs are identified then Housing Management will consider the tenant's health and social care needs when giving assistance and advice and signpost the tenant to the relevant support service. Where the tenant has difficulty in reading or understanding information then reasonable steps will be taken to ensure that Housing Management have appropriately communicated the information in ways that the tenant understands. In cases where tenants are vulnerable, suffer ill health or have difficulty in engaging directly with the Association then communications should, with the tenant's consent, include joint partnership working with support services. Housing Management should offer payment methods and timescales based upon tenants' income and expenditure and best suited to the tenants' needs.

Recovery of Rent Arrears

Pre-Action Requirements

Pre-action requirements places the emphasis on resolving the payment of the rent arrears and ensures that tenants have been offered the appropriate information, guidance and support on managing their arrears before court action can be initiated. In order to comply with these requirements all cases will be dealt with in accordance with the Arrears Management Procedures.

Service of a Notice of Proceedings

Where the pre-action procedures have been followed and Housing Management believe it is reasonable to pursue legal action against the tenant then a Notice of Proceedings (Notice) should be served. The Notice Regulations prescribe the form that Housing Management must use in preparation and service of a Notice. Before serving a Notice, all reasonable enquiries must be made to establish whether there are any qualifying occupiers of the house and a Notice served on each qualifying member. Where a joint tenancy exists then a Notice must be served on each of the tenants.

During the notice period, Housing Management should make every effort to contact the tenant to arrange a reasonable and sustainable repayment plan. Where all pre-action requirements have been met, and all reasonable attempts to resolve the position have failed, then Housing Management should instruct the Association's solicitor to initiate court proceedings.

Section 11 Notice

In accordance with Section 11 of the Homelessness Etc. (Scotland) Act 2003, Housing Management or the Association's solicitor will notify the Local Authority of the action and that the tenant may require assistance. Housing Management will liaise with Social Work Services or any appointed support agency during proceedings.

Court Action

Where court action has been initiated then Housing Management should ensure that the Association's solicitor is in possession of all necessary documentation and liaise with them throughout proceedings.

The Association's solicitor will forward the action to the Sheriff Court to initiate legal proceedings for recovery of possession, rent arrears and expenses. The pre-action requirements do not replace the requirement on the court to consider whether it is reasonable to make an order for recovery of possession of the property. It will be for the court to consider the submission and the reasonableness of granting an order for repossession. Where the outstanding rent is received in full then Housing Management will instruct the Association's solicitor to seek a Decree for expenses only.



POLICY STATEMENT

SUBJECT: ARREARS MANAGEMENT

The Sheriff may continue the case if it needs more information or monitor court agreements. Court action can involve complex hearings involving different proceedings resulting in the following outcomes:

5 Sequestration

Where tenants are sequestered, the appointed trustee will deal with any existing arrears prior to sequestration. A claim against the estate may be lodged by the Association. Arrears arising after sequestration will be pursued in accordance with Arrears Management procedures.

10 Sisted Court Action

The Sheriff may temporarily suspend or "sist" the action where the action is to be monitored over a period of time. If the court agreement is broken without good cause then the Association's solicitor will be instructed to recall the action to court.

15 Decree for Expenses

Where a Decree for expenses is granted every reasonable effort should be made to recover the sum owed by arrestment of earnings or other appropriate means.

20 Decree for Recovery of Possession, Rent Arrears and Expenses.

25 If the court grants a Decree for possession of the property, the tenancy is not ended on the date the Decree is granted. In such cases, the tenancy ends only when the Association recovers possession of the property. The Decree granted by the court must specify a period of which the Association has the right to recover possession of the house. The period order prescribes a maximum period for the court order of six months from the date from when the Decree is extracted. The period specified in the order may be less than this but may not be more. During this period the tenant's existing tenancy will continue unless an eviction is enforced.

30 The final decision in eviction proceedings must be taken by the Management Committee. In order for the Management Committee to consider all the facts before making the decision of whether or not to enforce the Decree, Housing Management must present a report to the Management Committee at the next scheduled meeting providing the following information:

- 35
 - Details of the tenancy.
 - Family composition.
 - Personal history.
 - Arrears history.
 - Court history.
 - Recommendation.

40 Where a Decree is to be enforced then Housing Management should instruct the Association's solicitor to make the necessary arrangements for the recovery of possession of the property. The Association's solicitors will also instruct Sheriff Officers to serve notice on the tenant confirming the date of eviction. Housing Management will liaise with the tenant during recovery proceedings in respect of their circumstances and homelessness. Housing Management will also liaise with appointed support organisations, legal services and any other relevant organisation in respect of the action.

45 Where the Management Committee decision is not to enforce eviction then the Decree will be held for the specified period. Should the tenant breach the terms of tenancy within this period then a further report will be presented to Management Committee to revisit the circumstances of the accruing arrears.

50 At any point up to, and including the date of eviction, the tenant may clear the outstanding balance or make a substantial payment to the rent account. At a minimum this payment should bring the arrears back into line with any court agreement made previously. In this circumstance the eviction will be postponed and a further report presented to the next Management Committee.



Recovery of Possession

Housing Management, Maintenance Services and the appointed Sheriff Officers should be present at the arranged recovery of possession. The tenant will be made aware that it is their responsibility to make provision for removal of their personal effects and furniture prior to the eviction. Where belongings are found in the property after the eviction then Housing Management will attempt to contact the former tenant to request immediate removal of personal effects and belongings. Where the former tenant's whereabouts are unknown, they fail to respond to communications, or they fail to remove belongings then the Association will have the right to arrange for the clearance and disposal of the belongings and recharge the outgoing tenant.

Services to Tenants

Improvements to Rented Properties

Where a tenant has accrued substantial tenancy debts and has consistently refused to co-operate with Housing Management then the Association retains the right to withdraw that tenant's home from any programme of improvement works such as the renewal of kitchens or bathrooms, unless such works are required to ensure that the property meets the Scottish Housing Quality Standard (SHQS) and / or the Energy Efficiency Standard for Social Housing (ESSH). The decision to remove a property from the improvement programme will be considered jointly between Housing Management and Maintenance Services.

Refunds to Tenant

Prior to the Association refunding all or part of a credit that has accrued in a tenant's rent account, the Association will take into consideration the following factors in order to prevent arrears accruing as a result of this refund:

- The previous pattern of payment.
- Any history of arrears.
- Entitlement to housing benefit / claim for overpayment of housing benefit.
- Tenancy or other debts owing to the Association.

Credits will normally only be written-off from former tenant account when:

- The former tenant has died and there are no known next of kin or estate details.
- The Association has no forwarding address and has taken all reasonable steps to establish one.

Former Tenant Arrears

Should the whereabouts of a former tenant be known, or there is some other likelihood of recovering former tenant arrears, the tenant will be pursued for the outstanding amount. An arrear may be written-off when it is considered to be irrecoverable or uneconomical to pursue further action. Factors taken into consideration can include:

- The tenant has been sequestrated and the debt has become irrecoverable by law.
- The tenant has died and there is no estate or other responsible person.
- The Association has no forwarding address and has exhausted all reasonable means of establishing one.
- All efforts have been made to recover the debt and it would not be cost effective to continue to pursue the debt owed.
- All rent accounts with arrears that have been in existence for five years to be written-off.

Although an arrear may be written-off it may be re-instated at any time and be actively pursued by the Association.

Confidentiality

All information regarding rent arrears and personal information will be treated in strictest confidence by Association staff unless the tenant has mandated third party involvement. Anonymity will be preserved from Management Committee with references to specific cases being coded.



Equality and Diversity

5 The Association is committed to Equal Opportunities and will endeavour to ensure that all services within the arrears procedures are carried out in an equal and undiscriminating manner in line with both the Arrears Management Policy and Procedures and the Association's equality & Diversity Policy.

In particular, the Association will not discriminate on the grounds of age, disability, marriage and civil partnership, pregnancy and maternity, race, religion or belief, gender, gender reassignment or sexual orientation.

10 To ensure that the Association's rent arrears procedures are understood by all tenants and that everyone affected has access to the relevant information and advice, translation and interpretation services will be provided where required and, where appropriate information will be made available in other formats.

Right of Appeal

15 Tenants have the right to appeal any decision made by the Association regarding their rent account and / or arrears. Tenants may also make a complaint if they feel aggrieved about the service they have received during the implementation of the arrears procedure. Appeals and complaints will be dealt with in accordance with the Association's Complaints Handling Procedures.

Management Committee

20 The Management Committee shall agree the policy and procedure for the prevention and control of arrears and must always authorise eviction. As Management Committee members may also be tenants of the Association, those tenants should not accrue rent arrears or tenancy debts.

25 Housing Management will make the Association's Director aware of any Management Committee member that has over one month's rent arrears outstanding or has rent arrears persisting for a period of three consecutive month's without a repayment plan in order that procedures under personal interest may be implemented.

Performance Monitoring and Reporting

30 A Statutory Performance Indicator set by the Scottish Housing Regulator reports on collecting arrears. When setting the Association's internal performance target for rent arrears, consideration will be taken of past and current performance, as well as the latest peer group sector performance figures published as part of Scottish Registered Social Landlords Statistics.

35 Quarterly reports will be submitted to the Management Committee detailing the current and former tenant arrears performance in accordance with the Association's targets and performance indicators. Reports will be reviewed on a regular basis to ensure they are providing the Management Committee with sufficient and relevant information to monitor the efficiency and effectiveness of the policy and procedures. The reports will contain the following information:

- Comparable performance statistics.
- Arrears as a percentage of rent receivable.

45 At the year-end a Legal Action report will be presented providing details on overall trends including the number of Notices of Proceedings raised, court actions, evictions and costs involved.

On a quarterly basis the Management Committee will receive a Former Tenant Write-Off Report detailing cases being presented for approval to have the tenancy debt written-off.

Policy Review

50 In order to ensure that any change in circumstances is accommodated, this policy will be subject to review every three years in the month of October.



Policy Approval

This policy was last reviewed / approved by the Management Committee of Yoker Housing Association Limited at its meeting held on Tuesday the 30 October 2018.